



MEDIA RELEASE

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TAX AND FINANCIAL ADVISERS NEED SIMPLIFIED REGULATION TO BENEFIT CONSUMERS

The regulatory system for tax and financial advisers needs significant simplification, according to the Financial Services Council (FSC).

The FSC made this call in a submission, released today, to an independent review of the Tax Practitioner's Board and Tax Agents Service Act 2009. The FSC made this call in a submission, released today, to an independent review of the Tax Practitioner's Board and Tax Agents Service Act 2009.

FSC CEO Sally Loane said the FSC recommends a single regulatory regime for advisers who provide both tax and financial advice, replacing the current regime with overlapping and duplicated registration.

"The FSC's preferred approach would mean advisers adhere to one code of ethics, and are overseen by one code monitoring body that helps deliver the protections consumers expect and that advisers are obliged to adhere to," Ms Loane said.

"Ongoing changes to the regulatory environment for financial advisers, including new professional and education standards are transforming financial advisers into a profession in line with other professions such as accounting and law.

"These changes present a timely opportunity to integrate Tax (Financial) Advisers (TFAs) into the regulatory framework for financial advisers.

This reform would bring TFAs into a single regulatory regime under the Financial Adviser Standards Ethics Authority (FASEA) reducing unnecessary costs and bringing greater clarity to consumers and advisers. Advisers would continue to be bound by other regulations including privacy and anti-money laundering laws.

"This reform would not mean a decline in the standards for TFAs – the FSC's proposal would just remove unnecessary regulatory duplication and overlap. It would also mirror the approach for lawyers who do not need to register with the TPB given their existing strong regulatory structures," Ms Loane said.

“The FSC’s recommended approach means consumers would not have to engage with the TPB for the tax component of the advice they receive as well as the Code Monitoring Body for financial advice.

“Ensuring a simplified regulatory regime that reduces regulatory overlap and is easier for customers to navigate is thoroughly consistent with the recommendations of the Hayne Royal Commission,” Ms Loane says.

The FSC considers the TPB and FASEA should continue to have open dialogue as these new standards are implemented and to develop a single regime for financial advisers.

To read a full copy of the FSC Submission: <https://fsc.org.au/resources/1844-fsc-submission-tpb-review-2019-discussion-paper/file>

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Contact: Esther Jago on 0421 102 944 or ejago@fsc.org.au

About the Financial Services Council

The Financial Services Council (FSC) has over 100 members representing Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. The industry is responsible for investing almost \$3 trillion on behalf of more than 14.8 million Australians. The pool of funds under management is larger than Australia’s GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.